

Luxembourg, 31/03/2023

## Environmental and Social Data Sheet

### Overview

Project Name:	LOURES URBAN RENEWAL AND CLIMATE ADAPTATION FL
Project Number:	2022-0511
Country:	PORTUGAL
Project Description:	Framework Loan to co-finance selected schemes from the strategic multi-annual investment plan (2022-2026) of the City of Loures (Portugal). The operation comprises the construction and renewal of social housing schemes, climate adaptation schemes, energy efficiency and renewable energy measures in public buildings, education facilities (upgrade and construction), and waste management improvements.
EIA required:	This is a multi-scheme Framework Loan operation. Some of the schemes may require an EIA under Annex II ("screened in") of the EIA Directive.
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

### Environmental and Social Assessment

#### Environmental Assessment

The proposed Framework Loan ("FL") is a multi-sector and multi-scheme project comprising investments included in the 2022-2026 City investment plan and addressing various sectors, including notably:

1. Urban Development and Renewal
  - a) construction and rehabilitation of social housing for rent;
  - b) schemes supporting directly the implementation of the Municipal Action Plan for Adaptation to Climate Change;
  - c) urban infrastructure such as upgrade of urban streets including exchange nodes, public lighting, new bicycle lanes, pedestrian areas, dissuasive multimodal parking associated with integrated services for sustainable mobility, air quality sensors, etc;
  - d) upgrades in public buildings including energy efficiency and renewable energy measures;
2. Education
  - e) Construction, extensions and rehabilitation of public schools;
3. Solid Waste
  - f) waste management systems such as containers, eco-points, waste sensors, software for smart collection, electric vehicles for waste collection, etc.

The Promoter and Borrower is the Municipality of Loures, located in the Metropolitan Area of Lisbon (Portugal). The location of the schemes is in line with the long-term City Master Plan, developed through successive sectorial strategies and programmes. In 2015, this City Master Plan was subject to Strategic Environmental Assessment in line with the SEA Directive 2001/42/EC during its update.

The City approach is aiming at rehabilitating existing infrastructure, limiting as much as possible the expansion into green land and promoting urban regeneration, thus avoiding deterioration of

<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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the city's ecological resources. In line with this, the schemes included in this operation will typically take place in developed urban areas and outside protected areas including Natura 2000.

Portugal, as EU Member State, has harmonized its environmental legislation with the relevant EU Directives: EIA Directive 2014/52/EU amending the 2011/92/EU EIA Directive, SEA Directive 2001/42/EC and Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC and Energy Performance of Buildings Directive 2010/31/EU.

All the schemes under the FL are expected to be small and medium size (cost below EUR 50 m) and none of the schemes is expected to be subject to Environmental Impact Assessment. The environmental competent authority is the *Agência Portuguesa do Ambiente* (APA – Portuguese Environmental Agency). Furthermore, individual schemes have to obtain building permission granted by the Municipality, which takes into account the national environmental legislation as well as other relevant local regulations.

The overall Project's environmental impact at the construction stage will be relatively brief, reversible, and at an acceptable level. Potential negative environmental effects (e.g. dust and noise during construction) are to be alleviated by implementing effective mitigating measures and good construction management practices.

In 2010, the Municipality of Loures adhered to Covenant of Mayors for Climate and Energy in Europe. Lastly, in September 2021 the City approved the PAMAAC-LRS defining a methodology, a strategy, and a monitoring system for adapting Loures to climate change.

The eligible sectors included in the urban FL are deemed to be aligned with the Paris Agreement goals and principles. Moreover, the Project contributes to the EIB Climate Action and Environmental Sustainability objectives.

In this regard, it is worth highlighting that this Project includes a significant part of climate adaptation measures to cover actions encompassed in the PAMAARC-LRS. The former is developed under the umbrella of the climate adaptation plan for the Metropolitan Area of Lisbon defining specific actions to implement climate adaptation measures that are specific to Loures vulnerabilities.

## **Social Assessment**

The investment programme supported under this FL expands and inscribes the local development strategies within the reference framework of the UN 2030 Agenda for Sustainable Development. It contributes Sustainable Development Goals (SDGs), most notably the SDG11 "Sustainable Cities and Communities".

The overall social impact of the Project is expected to be very good, prioritizing and promoting investments from a social perspective, especially sensitive to low-income people. In this regard, the Project significantly increases the number of social housing units, hence reducing inequality and contributing to a more integrated and mixed urban development. It will also contribute to the refurbishment of public schools, which likely will be translated into better education. In addition, developing public infrastructure and services that are more effective and impactful will support growth, making life in Loures more sustainable and inclusive.

## **Public Consultation and Stakeholder Engagement**

The proposed schemes included in the FL are in line with the City Master Plan and its successive updates. These updates undergo a regular public consultation process and all concerned inhabitants and companies of the City are given the possibility to provide their contributions.

Public consultation processes are also part of the EIA process of individual schemes when required.



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## Other Environmental and Social Aspects

The Municipality of Loures has a sound and well-structured governance to manage environmental and social aspects with specific departments for Environment and Social Cohesion.

## Conclusions and Recommendations

The overall environmental and social impact of the Project is expected to be positive, with an improved environment and citizens' quality of life. The Project is expected to contribute to climate action through mitigation and adaptation measures incorporated in the project designs. Loures is also tackling environmental sustainability aspects.

Prior to disbursement against any specific scheme, the Promoter is required to provide to the Bank documentary evidence that schemes comply with relevant provisions of the environmental EU Directives, including EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into national law. For schemes triggering art. 4.7 of the Water Framework Directive (WFD), the Promoter must provide evidence of compliance with the WFD before the Bank funds are allocated.

Upon the Bank's request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works. In addition, the Promoter will be requested to provide a copy of the updated SEA, in case any new update of the City Master Plan would require it during the implementation of the Project.

The Municipality of Loures is a capable Promoter able to manage the environmental and social issues of all the schemes included in this Project.

Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities in Loures, subject to the conditions stated above, the Project is acceptable for the Bank in environmental and social terms.